

AMENDED IN ASSEMBLY APRIL 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1155

Introduced by Assembly Member Torlakson

February 25, 1999

An act to amend Section 7351 of the Revenue and Taxation Code, relating to ~~taxation~~ transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1155, as amended, Torlakson. ~~Fuel~~ *Transportation funding: fuel* taxes: motor vehicle fuel.

The Motor Vehicle Fuel License Tax Law imposes a license tax at a specified rate per gallon for the privilege of distributing motor vehicle fuel, and provides for the commensurate increase of that rate in the event of a reduction in the rate of the corresponding federal tax and certain federal transportation-related allocations to the state.

This bill would make technical, nonsubstantive changes to these provisions.

Senate Resolution 8 requests the California Transportation Commission, in conjunction with the Department of Transportation and the state's regional transportation planning agencies, to produce and submit to the Senate Committee on Transportation and the President pro Tempore of the Senate by May 10, 1999, a 10-year needs assessment, as provided, of the state's transportation system.

This bill would, pursuant to legislative findings and declarations as to the insufficiency of available transportation

funding, require the California Transportation Commission, in conjunction with the Department of Transportation and the state's regional transportation planning agencies, to produce and submit to the Assembly Committee on Transportation and the Senate Committee on Transportation by March 1, 2000, an analysis, as provided, of methods to finance unmet transportation system needs identified pursuant to Senate Resolution 8.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~—yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7351 of the Revenue and
2 Taxation Code is amended to read:

3 7351. (a) For the privilege of distributing motor
4 vehicle fuel, a license tax is hereby imposed upon
5 distributors for each gallon of fuel distributed at the rate
6 of eighteen cents (\$0.18) per gallon on and after January
7 1, 1994.

8 (b) If the federal fuel tax is reduced below the rate of
9 nine cents (\$0.09) per gallon and federal financial
10 allocations to this state for highway and exclusive public
11 mass transit guideway purposes are reduced or
12 eliminated correspondingly, the tax rate imposed by this
13 section, on and after the date of the reduction, shall be
14 increased by an amount so that the combined state and
15 federal tax rate per gallon equals twenty-seven cents
16 (\$0.27) per gallon on and after January 1, 1994.

17 (c) If any person or entity is exempt or partially
18 exempt from the federal fuel tax at the time of a
19 reduction, the person or entity shall continue to be so
20 exempt under this section.

21 SEC. 2. *The Legislature hereby finds and declares*
22 *both of the following:*

23 (a) *While a balance of approximately one billion five*
24 *hundred million dollars (\$1,500,000,000) exists in the*
25 *State Highway Account, those moneys are fully*
26 *committed to the funding of future projects pursuant to*
27 *the State Transportation Improvement Program.*

1 **(b)** Current financing mechanisms provide
2 insufficient revenues to meet the future transportation
3 infrastructure needs as measured through the assessment
4 required in Senate Resolution 8 of the 1999–2000 Regular
5 Session.

6 **SEC. 3.** The California Transportation Commission,
7 working with the Department of Transportation and the
8 state’s regional transportation planning agencies, shall
9 produce and submit to the Assembly Committee on
10 Transportation and the Senate Committee on
11 Transportation by March 1, 2000, an analysis of methods
12 to finance the unmet transportation system needs
13 identified through the assessment required under Senate
14 Resolution 8 of the 1999–2000 Regular Session. The
15 analysis shall identify the most efficient method of
16 financing the unmet transportation system needs. The
17 analysis shall, among other things, examine all of the
18 following:

19 **(a)** Bond revenues.

20 **(b)** Redirection of revenues derived from sales tax
21 with respect to gasoline.

22 **(c)** Indexing the state’s motor vehicle fuel and diesel
23 fuel taxes for inflation as measured through the California
24 Consumer Price Index.

25 **(d)** Public-private partnerships.

26 **(e)** New revenue sources, including the extension of
27 local sales tax augmentations, an increase in the state’s
28 motor vehicle and diesel fuel tax, fees on transportation
29 system users, or toll roads.

30 **(f)** The redirection of existing General Fund or special
31 fund moneys.